



General Assembly

January Session, 2003

***Raised Bill No. 897***

LCO No. 1125

Referred to Committee on Select Committee on Housing

Introduced by:  
(HSG)

***AN ACT CONCERNING THE DISPOSITION OF STATE-ASSISTED  
HOUSING PROPERTIES IN DEFAULT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 8-37x of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2003*):

3 (a) As used in this section, "authority" or "housing authority" means  
4 any of the public corporations created by section 8-40 and the  
5 Connecticut Housing Authority when exercising the rights, powers,  
6 duties or privileges of, or subject to the immunities or limitations of,  
7 housing authorities pursuant to section 8-121, and "housing project"  
8 means a project developed or administered pursuant to chapter 128.

9 (b) Without limiting any other powers of the Commissioner of  
10 Economic and Community Development, [he] said commissioner shall  
11 have power: (1) To collect and correlate information regarding housing  
12 projects of authorities in the state and upon request to furnish the  
13 authorities, in matters of common interest, information, advice and the  
14 services of expert personnel; (2) to study state-wide needs for the  
15 elimination of substandard housing to stimulate state and city

16 planning involving housing, and otherwise to study housing needs,  
17 both rural and urban, and to formulate proposals for meeting these  
18 needs; (3) to study methods of encouraging investment of private  
19 capital in low rent housing; (4) to study the necessity, feasibility and  
20 advantage of the use of state credit by way of loan or subsidy to assist  
21 the financing of housing projects for persons of low income; and (5) to  
22 accept grants-in-aid of any of [his] said commissioner's powers made  
23 pursuant to the provisions of any state or federal law and, for the  
24 purpose of complying with the requirements or recommendations of  
25 any such law, to prepare such plans and specifications and to make  
26 such studies, surveys, reports or recommendations concerning existing  
27 or contemplated housing conditions or projects in the state as may be  
28 necessary or appropriate.

29 (c) Notwithstanding any other provision of the general statutes, the  
30 Commissioner of Economic and Community Development may, after  
31 conducting a public bidding process as provided in section 8-44, enter  
32 into a master contract or contracts with local, regional or state-wide  
33 suppliers of labor, supplies, materials, services or personal property on  
34 behalf of one or more housing authorities operating state-financed  
35 housing programs or projects. The commissioner may, in [his] said  
36 commissioner's discretion, with respect to partially completed state-  
37 financed programs or projects or in the event of emergencies affecting  
38 human health, safety, welfare and life or endangering property, waive  
39 the bidding requirement and threshold of said section 8-44.

40 (d) The Commissioner of Economic and Community Development  
41 may designate as [his] said commissioner's agent any deputy  
42 commissioner or any employee to exercise such authority of the  
43 commissioner as [he] said commissioner delegates for the  
44 administration of any applicable statute or regulation.

45 (e) As used in this subsection, "troubled loan" means a loan in which  
46 payments of interest or principal, or both interest and principal, (1) are  
47 delinquent under the terms of a loan agreement, or (2) may become

48 delinquent under conditions which exist which would reasonably lead  
49 the Commissioner of Economic and Community Development to  
50 believe that a borrower would be unable to repay the loan. Said  
51 commissioner may authorize the deferred payments of interest or  
52 principal, or both interest and principal, or a portion thereof, in the  
53 case of a troubled loan made by the commissioner under any provision  
54 of the general statutes or special acts if [he] said commissioner  
55 determines the deferral to be in the best interests of the state. Such  
56 determination shall be in writing and shall include a statement of the  
57 reasons why the deferral is in the best interests of the state. Any  
58 deferral made under the provisions of this section shall be subject to  
59 the approval of the State Bond Commission.

60 (f) Upon an action by the Commissioner of Economic and  
61 Community Development to preserve the state's interest in any  
62 contract for financial assistance that results in the state acquiring title  
63 to any housing property, the commissioner shall be deemed to be an  
64 eligible developer, as defined in section 8-39, for the purposes of  
65 operating the property and receiving state or federal financial  
66 assistance on behalf of the property or the operation of the property.

67 (g) The Commissioner of Economic and Community Development,  
68 upon the lawful dissolution of any eligible developer of property  
69 financed with a loan, grant or any combination thereof from the state  
70 may (1) accept ownership of property owned by such a developer in  
71 the name of the state and dispose of such property for a price and  
72 upon terms that said commissioner deems proper, provided such  
73 action shall preserve the property for use by very low, low or  
74 moderate income persons; or (2) after approval by the Secretary of the  
75 Office of Policy and Management, allow such property to convert to  
76 ownership with an eligible developer and allow such property to  
77 participate in any other programs that said commissioner is authorized  
78 to operate, in order to preserve the property for the use by or the  
79 benefit of very low, low or moderate income persons.

80     [(g)] (h) The Commissioner of Economic and Community  
81     Development may adopt regulations, in accordance with the  
82     provisions of chapter 54, to carry out the purposes of the Department  
83     of Economic and Community Development as established by statute.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>

***Statement of Purpose:***

To allow the Commissioner of Economic and Community Development to take back property and remedy problems with nonperforming eligible developers or properties.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*